

Connecticut Communities Challenge Grant Program

Application Frequently Asked Questions (FAQ)

Last Updated: 8/8/2022

Regarding the match requirement:

- 1. Can funds that have already been committed to a project count toward the local match requirement?**

For Round 2, any funds deployed towards the completion of a project since August 1, 2020, (24 months before the application deadline) are eligible to count toward the match requirement as long as the application clearly shows a connection between those funds and the project in question. However, projects that are receiving new match funds – funds that will be newly deployed with Communities Challenge funds – may receive priority.

- 2. Can private funds from one project be used toward the local match requirement for a separate project?**

Private match dollars must be used on the same project as the project that would receive grant funding from the CT Communities Challenge. If a project contains two or more related sub-projects, private funding from one sub-project can count as a private match towards the other sub-project. In this case, the application must state clearly why these two projects are inseparable.

- 3. Can funding received through federal programs and earmarks (e.g., the American Recovery Act, Community Development Block Grants, Bipartisan Infrastructure Bill) count toward the local match requirement? What about program funds that applicants have applied for and/or are anticipating receiving after the application due date?**

Federal funds can be used toward the local match requirement. Applicants may include any federal funding that they have applied for or are anticipating receiving as part of the application to DECD. If successful, applicants will need to demonstrate the full capital stack including the promised match funds prior to executing the Assistance Agreement/contract with DECD.

- 4. Can other state funding (e.g., brownfield grant) count toward the local match requirement?**

Funding from any applicant entity whether a municipal or private entity is eligible for the match requirement. State funds are ineligible to count toward the match requirement.

- 5. Are CT Housing Finance Authority (CHFA) funds eligible to be included as part of the match funds?**

Funds from CHFA programs are not be eligible to be counted as match.

- 6. Can debt financing (e.g., mortgages, construction loan) count toward the match requirement?**

No.

7. Can private equity from a Low Income Housing Tax Credit (LIHTC) or an amortizing permanent mortgage loan from CHFA count toward the match requirement?

No. Neither type of funds is eligible to count toward the match requirement.

8. Can historic tax credit equity count toward the match requirement?

No, historic tax credit equity does not count toward the match requirement.

9. Does a tax abatement count toward the match requirement?

No, tax abatement does not count toward the match requirement.

10. Do local match funds count toward the total award amount?

Local match dollars are not counted toward the total of the award. For example, a \$1M grant award would require at least \$500,000 in local match funding (\$250,000 for distressed municipalities), resulting in a total of \$1.5M in project budget (\$1.25M for distressed municipalities). Note: any municipality listed on the distressed municipality list as of August 1, 2022, will be considered to be a distressed municipality.

Regarding multiple, combined, and otherwise complex projects:

11. If a municipality is proposing two separate projects, should they be on the same application form?

No.

12. If a municipality has a project with multiple components that may include state funding from multiple sources (e.g., Communities Challenge, brownfields), should the application for the Communities Challenge grant include all parts of the project?

DECD encourages applicants to include all components of a project, including other potential state sources. This will help DECD gain a full picture of the project and may help DECD ensure all state sources are being effectively used.

13. Can a municipality use the Communities Challenge funds to create a revolving loan facility that continually invests in local projects?

DECD will not accept applications for the creation of a revolving loan or other credit facility without a specific project that meets the requirements of the Communities Challenge grant. In other words, applications for a specific project where funding is later recycled into a loan facility will be accepted. Applications for a loan facility that do not outline which specific investment they will be used for upfront will not be accepted.

Regarding the application forms:

14. Can I submit responses of any length to questions in the application form?

Please ensure that your responses fit within the form provided by the application, as DECD cannot guarantee that any additional text will be reviewed as part of your application. If you need additional space for a particular response, consider including that information elsewhere in the application, where appropriate (e.g., boxes specifically for additional context, attachments).

15. Section VI of the application requires a signed copy “of the Municipal Certification of Eligibility for Discretionary State Funding.” Can you please provide the form that is required?

The form is available on the CT Communities Challenge web page:

https://portal.ct.gov/DECD/Content/Business-Development/05_Funding_Opportunities/CT-Communities-

Challenge-Grant

16. Page 3 of the Application Form asks for project address, parcel ID, acreage etc. If the proposed project is an infrastructure project (e.g., road development), how do we respond?

Please feel free to provide the names of the roads/intersections, length of the same and any other pertinent information. Project address can either be the address of the main property that the infrastructure project is supporting or the starting/ending/representative address of the general project area.

17. Please explain the sentence on page 1 of the NOFA: "Other projects that can demonstrate livability, vibrancy...provided it is shown that there are no other dedicated funds for these projects under other currently offered state or federal programs."

DECD would like to make sure that other state and federal programs dedicated for a particular ask are tapped before the request is made to DECD under the CT Communities Challenge Grant (e.g., federal funds for broadband, etc.)

18. The application asks for a Town Council Approval or Certified Resolution. Will DECD accept certified minutes of the Town Council meeting where a vote was taken to approve this application?

Yes.

Regarding the application timeline and review process:

19. Can I receive a formal preliminary determination of eligibility from the Department of Economic and Community Development for a project?

DECD is not offering formal determinations of eligibility. If you have specific questions about your project's eligibility, please contact CTCommunitiesChallenge@ct.gov

20. Will there be an Intent to Apply form as part of the Round 2 application process?

Unlike in Round 1, there is no Intent to Apply form for Round 2.

21. Are applications being judged by their strength on one evaluation criterion (e.g., economic impact, shovel readiness) or their strength on all evaluation criteria?

Applications will be evaluated by their strength on all evaluation criteria listed in the Notice of Funding Availability. An application that is strong on multiple criteria will therefore be more competitive than an application that is strong on only one criterion.

22. Where do I submit my application?

Each applicant will receive a unique link to a sharepoint folder where you can submit your application. As stated in the application, please email CTCommunitiesChallenge@ct.gov by 3pm on Monday, October 3, 2022 to request your unique link.

23. Who will be reviewing the applications?

DECD staff will be reviewing the applications. DECD will be soliciting input, as needed, from sister agencies including OPM, DEEP, DOH, CHFA, DOT and SHPO. The DECD Commissioner will be making all award decisions

Other:

24. If a project is granted an award through the CT Communities Challenge Program, is the project subject to prevailing wage requirements?

Applicants are responsible for assessing the applicability of prevailing wage statutes to their project (C.G.S. Section 31-53 and 31-53c).

The applicability of prevailing wage as per the statutes is dependent on various factors including, but not limited to, the amount of cumulative DECD funding received for the proposed project/project site over the years, the entity entering into the grant contract with DECD, the funding sources for the overall project, the entity that will be holding the construction contract (primary recipient versus a private entity), the nature of the improvements (public versus private), the type of project (new construction versus rehabilitation) and the nature of the end uses (public versus private).

For a formal DOL determination on the applicability of the prevailing wage rates for your project, please contact Mary Toner, Wage Enforcement Agent, Public Contract Compliance at the CT Dept. of Labor (mary.toner@ct.gov; 860.263.6606).

25. By when must the funds awarded through the grant be expended?

Funds must be committed or committed within three years of the award date. The project itself must be completed within five years of the award date.

26. For a project to be considered affordable housing, what percent of the units need to be deed restricted?

If the project involves a net addition of 10 or more residential dwelling units for rent, a portion of those units must be deed-restricted for 30 years to be offered at below-market rent. If the project involves a net addition of 10 or more residential dwelling units for sale, some of those units must be deed-restricted in perpetuity to be offered for sale at below-market price. Applicants may choose whether to provide 10% of units affordable to households making 50% of the area median income (AMI), or 20% of units affordable to households making 80% of AMI. Affordable unit rent may not exceed 30% of the criteria AMI, and affordable unit sale price may not exceed an amount that would lead to expected monthly housing costs exceeding 30% of the criteria AMI. Expected monthly housing costs are the expected sum of monthly property taxes, 30-year mortgage payment assuming 3% down payment and prevailing interest rates, and any common charges.

Units must be on-site, the unit sizes and finishes must be comparable to market-rate units, the unit bedroom counts for affordable units must be in the same proportion as market-rate units, and the affordable units must be distributed evenly throughout the market-rate units. If construction is phased, affordable units must be constructed as proportionally as is feasible in each phase. Affordable units must use the same building access as market-rate units and have comparable access to building amenities.

The DECD Commissioner may approve projects not in compliance with the above policy following a written request with detailed justification from applicant.

27. Is DECD going to differentiate between the nature and type of jobs that will be created while comparing projects?

Although DECD does not have a formula to score a project on job creation, the type of jobs created will be considered when scoring projects.

28. Are planning and design costs an eligible use for Communities Challenge funds?

Design costs are an eligible use for Communities Challenge funds. However, priority will be given to projects that are “shovel ready” and beyond the design process.

29. I have another question that was not answered above and is not answered on the grant program’s website. Where can I have my question answered?

Please send any other questions to CTCommunitiesChallenge@ct.gov. We will update this document periodically with answers to common questions we receive.